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TO RUEHC/SECSTATE WASHDC PRIORITY 1580
INFO RUEHNE/AMEMBASSY NEW DELHI 1505
RUEHCG/AMCONSUL CHENNAI 0663
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RUEHKT/AMEMBASSY KATHMANDU 0435
RUEHKA/AMEMBASSY DHAKA 0427
RUEHIL/AMEMBASSY ISLAMABAD 0354
RUEHGO/AMEMBASSY RANGOON 0287
RUEHLM/AMEMBASSY COLOMBO 0174
RUEHBJ/AMEMBASSY BEIJING 0116
RUEHCN/AMCONSUL CHENGDU 0078
RUEILB/NCTC WASHINGTON DC
RUEIDN/DNI WASHINGTON DC
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RHEFDHP/DIA DHP-1 WASHINGTON DC
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SUBJECT: MAOISTS BLOCKADE JHARKHAND TRANSPORT

REF: A) KOLKATA 0144 B) KOLKATA 0074 C) 06 CALCUTTA 0535

¶1. Summary: (SBU) Beginning June 26 the two-day east India economic blockade called by the Communist Party of India-Maoist to protest against the setting up of special economic zones (SEZs), adversely affected the movement of all minerals from the mineral-rich state of Jharkhand. The majority of goods trains, which carry coal from east India to different parts of the country, were cancelled. The Maoists are now happy to raise the issue of SEZ to gain sympathy of the "poor" land owners. The Maoists using crude bombs blasted railway tracks in Jharkhand and burnt down a railway station in the neighboring state of West Bengal. End Summary.

¶2. (SBU) Beginning June 26 the two-day east India economic blockade called by the Communist Party of India-Maoist to protest against the setting up of special economic zones (SEZs), adversely affected the movement of all minerals from the mineral-rich state of Jharkhand to other parts of the country. All goods trains originating from eastern India were either cancelled or rescheduled. Movement of minerals like coal and iron ore via trucks also came to a grinding halt in Jharkhand.

¶3. (SBU) To make their presence felt, the Maoists, using crude bombs, blasted railway tracks at Bokaro in Jharkhand. In neighboring West Bengal they burnt down Birandih railway station on June 27, about 55 km from Purulia in the south western part of the state. The movement of over two dozen passenger trains originating in eastern India were also affected. A senior Indian Railways official informed Post that the majority of goods trains, which carry coal from east India to different parts of the country, were cancelled owing to this economic blockade. The Maoists also warned the railway staff that protests against the proposed special economic zones (SEZs) would continue. Similarly, in Orissa on June 26, the Maoists damaged a communication tower of Bharat Sanchar Nigam Ltd at Balimela in Malkangiri district.

¶4. (SBU) A senior official of Coal India Limited, from the coal city of Dhanbad in Jharkhand, told Post that the movement of coal has been affected as most of the railway wagons carrying

coal were left stranded at railway stations owing to the blockade call given by the Maoists. He added, "We learnt that near Parasnath station, Maoists deflated the tires of a truck after placing it on the railway tracks. At other places they tried to dump coal from trucks on the tracks in a bid to stop trains." Media sources from Jharkhand and Orissa said that extreme Left groups have warned that there is more to come. Jharkhand's senior police official admitted to Post that, "we have tried to protect the people and the property of the state. It is however not possible to post policemen on all roads and all railway tracks. Even if we do, not a single truck will ply on the roads, fearing retaliation from the Maoists."

¶5. (SBU) President of the Federation of Jharkhand Chamber of Commerce and Industry Arun Budhia informed Post that "at least Rs 40 million must have been lost due to the economic blockade, most of the loss occurring because trucks carrying minerals remained off the road." Also, the President of the Jharkhand's Truck Owners' Welfare Association Shyam Sunder Singh from Jamshedpur in Jharkhand said that "the trucks did not move as the insurance companies will not entertain any claims during such blockades. We have to safeguard our interest. The state government has failed to curb the Maoist problem in the state."

¶6. In an interview posted on a blog (refer to <http://naxalresistance.wordpress.com/2007/05/13/interview-with-ganapathy-general-secretary-cpimaoist/>) in May this year, the General Secretary of the Communist Party of India-Maoist Ganapathy said for the first time that a single directing center for the Indian revolution had emerged following the merger of the two major Maoist streams (Maoist Communist Center and the Peoples War) in September 2004. A journalist from Bihar who reports on Maoists activities said that after 37 years a party congress - the highest authority in the party - was held earlier

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this year. The current bout of activity is the first by this unified force of Maoists. Ganapathy in this interview mentions that their new central committee had time-bound programs and plans. "We hope to actively intervene in these issues and build a broad-based militant political mass movement," he said in the interview.

¶7. (SBU) Comment: Maoist leader Ganapathy's statement was reflected in the two-day economic blockade action program of the Maoists to resist the "imposition" of SEZs, which they said had caused "massive displacement of the poor in both urban and rural areas, against draconian laws, state repression, unemployment, corruption, inflation and neglect of social welfare." The Maoists are now happy to raise the issue of SEZs to gain sympathy of the "poor" land owners. Weak and unstable state government in Jharkhand and improper coordination between the security forces of Maoist-infested neighboring states is also one of the major reasons for the success of the Maoists. End Comment.
KELLY